

Library Board Minutes
October 5, 2017

Members present: Balda, Campbell, Feller, Geimer, Lukes, McBride, Moon

Call to Order: President McBride called the meeting to order at 6:30 p.m.

Approval of the Agenda: Campbell moved to approve the Agenda as posted. Lukes seconded. All approved.

Minutes of the September 14 meeting: Geimer moved to approve the minutes from September 14. Feller seconded. All approved.

Finance Report: Campbell presented the Finance Report. Little activity. Awaiting confirmation from BMO that fees from September have been waived following conversion of the account to a non-profit checking. Lukes moved to approve the report. Moon seconded. All approved.

August Bills: \$11,395.80 was expended from the library operating funds. Campbell moved to approve the bills as presented. Feller seconded. All approved.

Director's Report: Director's report showed September circulation of 19,230. YTD is currently down 7.38%. There were 15,991 visitors to the library, with a top day of 1040 people on Friday, September 22. The Library hosted 45 programs with an attendance of 970 people. New-to-us shelving was received from the Sauk City Library and delivered by SCLS Delivery. The shelving will be integrated into the expanded teen area in coming weeks. An overhead scanner was delivered in September for scanning of historical files. The project is funded by LSTA funds administered by SCLS. The library will be closed for staff training on Monday, 10/9. Training is scheduled from 8-430 and will include lunch. The morning will include training on customer service, shelving and circulation services; the afternoon includes Naloxone training, Active shooter training and handling emergency scenarios. The report is placed on file.

General Business: Kucher presented the 2018 budget, highlighting changes in anticipated revenues, operating expenditures and charges. The budget includes an increase in the municipal library levy of \$4808.28. A .06% increase from Sauk County pending the finalization of the Sauk County budget and an 11.59% increase in funding from adjoining counties are expected. The proposed budget includes a contribution of \$30,000 from Library Board funds in support of capital improvements; specifically space needs assessment, paint & carpeting at 370 Vine and the proposed Archives renovation in the South Wing of City Hall (345 Vine/134 S Locust). In operating expenditures, the cost for ILS & Technology services from SCLS is expected to drop 1.25%. Additional cuts to materials, computers, programming & staff education lines equates to an overall drop of 4.5%. Staff wages include a 1% increase which is less than the recommended 1.5% COLA. An additional Circulation Assistant Position with a weekly average of 10 hours was added in order to maintain the current level of programming and service and reduce

the overtime hours needed for regular operations. The proposed wage increase represents 4.05% budget line increase, with fringes rising 2.9% as a result of this change. The overall change for wages and Fringes is 3.78% or \$18,920. New charges to the budget under the Internal Service Fund (ISF) represent a \$20,407 transfer out. This is a portion of an estimated \$72,000 total for Utilities, Insurance, Custodial and other City Services that has previously been handled under the City's General Fund as utilities and maintenance of municipal buildings. Prior to 9/29, it was anticipated by Director Kucher that associated revenue would be allocated under the library levy accompany the additional fees. The current budget proposal instead programs a \$20,000 contribution from the General Fund to offset the charges in the ISF for 2018.

Kucher explained the potential impact of the three-year implementation of the Internal Service Fund as proposed, under which the library would see an increase of roughly \$72,000 in fees and transfers out, with a scheduled increase in the levy each year representing roughly \$8,000 to 12,000 in additional revenues in 2019 and 2020 under the current projections. Revenues from Sauk and adjoining counties would increase slowly, with the mandated funding formula taking 2 years to reflect any changes in the operating budget. The result would be a shortfall of nearly \$50,000 in 2019 and again in 2020, with no increases to staff wages and benefits and no increases to fixed fees and contract services. The impact of this change would be dramatic until the funding formula were to catch up, resulting in reductions in staffing, library hours and services as the only means by which to meet the required budget adjustment.

Discussion raised the question as to why the library levy does not include revenues for the fees under the cost allocation plan, and how the savings in the general fund levy is allocated in the budget. Additional questions arose regarding whether opportunities for cost savings would be available through other providers or resources, when the budget is scheduled to be published, reviewed, discussed and finalized and how other city departments may be impacted by the application of the ISF.

Feller moved to approve the budget request provisionally, subject to the Board receiving additional information on the proposed archives renovation project scope and costs and noting the Board objects to the additional charges transferred to the Library under the ISF without associated revenue received under the Library levy. Moon Seconded. 5 approved; Balda absent for vote; Lukes voted against due to unsustainability of future operations under ISF without corresponding revenues.

Adjournment: Campbell moved to adjourn. Geimer seconded. All approved.